

VZCZCXRO1811
RR RUEHLN RUEHSK RUEHVK RUEHYG
DE RUEHDBU #1443/01 3551242
ZNR UUUUU ZZH
R 211242Z DEC 09
FM AMEMBASSY DUSHANBE
TO RUEHC/SECSTATE WASHDC 1060
INFO RUCNCIS/CIS COLLECTIVE
RUEHBUL/AMEMBASSY KABUL 0346
RUEHDBU/AMEMBASSY DUSHANBE 2268

UNCLAS SECTION 01 OF 03 DUSHANBE 001443

SENSITIVE
SIPDIS

DEPT FOR SCA/CEN

E.O. 12958: N/A

TAGS: [ENRG](#) [ECON](#) [PGOV](#) [EINV](#) [TI](#)

SUBJECT: GIVE ME YOUR LUNCH MONEY - TAJIK GOVERNMENT USES THE HARD SELL TO PUSH SHARES IN ROGHUN HYDRO-ELECTRIC DAM

REF: DUSHANBE 1364; DUSHANBE 1348

DUSHANBE 00001443 001.2 OF 003

¶1. (SBU) Summary: The Tajik government has launched an expansive campaign to browbeat the public into buying shares in the long-delayed Roghun hydro-electric project, which it considers to be a "life or death" initiative to achieve energy security. The President summoned the Tajik press corps to line up their support, and pro-government media have aired testimonials of Tajiks who have committed to buy Roghun shares when they go on sale January 6. The initiative likely will put only a tiny dent in the \$770 million needed to complete Roghun's first two turbines (let alone the \$3 billion or more needed to finish the whole project), but is part of a larger strategy to build nationalist sentiment and rally the public in support of Rahmon's national projects. End summary.

ALL ROGHUN, ALL THE TIME

¶2. (SBU) Following Uzbekistan's November announcement that it would pull out of the Central Asian Unified Power System, leaving Tajikistan to cope with its energy issues on its own (Ref A), Tajik officials and state media have run a full court press to pressure individuals and organizations into coughing up cash for the Roghun hydro-electric station, which the government offers as the sole salvation to chronic energy woes. Roghun, on which construction began in 1976 and continued desultorily during the Soviet period before stalling out in the Tajik civil war, would generate 3,600 Megawatts, nearly doubling Tajikistan's domestic energy production capacity. On November 16 President Rahmon announced that shares would be issued for Roghun and called on Tajik citizens to purchase them. He ordered banks to facilitate Roghun stock purchases in branches throughout the country, starting January 6, 2010, when shares would be available for amounts ranging from 100 to 5,000 somoni (\$23 - \$1136). On December 2, the President called on all Tajik families "except for those most vulnerable," to buy 3,000 somoni (approximately \$680) worth of Roghun shares. Wealthy Dushanbe Mayor Mahmadsaid Ubaidulloyev called on workers to spend one month of their wages on Roghun stocks.

¶3. (SBU) Post estimates that even if every "non-vulnerable" Tajik household answered the President's call to give 3,000 somoni to Roghun, the government would raise \$330 million, well short of the \$770 million it says is necessary to bring the first turbines online, let alone the \$3 billion or more needed to complete the whole project. Actual donations to Roghun will

be much lower, however. With the average Tajik salary only \$71 per month (and per capita income only \$25), few private citizens have the expendable income to buy even a fraction of what the government is asking. Even if they wanted to, there is no way for foreign investors to get in on the deal. Rahmon proudly emphasized that Roghun shares would be offered only to Tajik citizens, guaranteeing that only they would reap the benefits of a completed dam.

RAHMON CALLS ON JOURNALISTS TO SUPPORT ROGHUN DRIVE...

¶4. (SBU) On December 7 Rahmon summoned 250 Tajik journalists to a closed-door meeting and launched an extended pitch for the government's efforts to sell Roghun shares to the public. Rahmon told journalists that while they "can criticize the government, they should not oppose the government's pursuit of strategic goals," including energy projects. Rahmon asked them "not to be on the sidelines in the work to gather materials and stocks for the construction of the republic's energy giant.... This issue is one of life and death for our country."

...AND BRAGS ABOUT CENTRAL ASIAN FIGHT CLUB

¶5. (SBU) A Tajik journalist who attended the meeting told Emboff that Rahmon signaled that he expected them to participate in a national mission to achieve energy independence and blamed the country's current energy woes on Uzbekistan. Rahmon underlined his personal involvement in the struggle by bragging that he got in a brawl with Uzbek President Islam Karimov at a CIS Summit in

DUSHANBE 00001443 002.2 OF 003

Sochi in 2004. As both men grabbed each other by the collars, former Ukrainian President Leonid Kuchma pulled the dueling presidents apart. Rahmon claimed to have had the last word: "Anyway, Samarkand and Bukhara will be ours again one day!" No recording equipment was permitted at the meeting, and none of the 250 Tajik journalists in attendance reported this story. After a Russian journalist broke the story in a Moscow newspaper, a pro-government Tajik paper denounced the Russian journalist. Tajik authorities also showed that Uzbekistan threatened Tajikistan at least as much as Tajikistan threatened Samarkand and Bukhara. They claimed that a man possibly acting on behalf of Uzbekistan had tried to kill the Mayor of Tursunzade in October, allegedly to disrupt fundraising for Roghun; Tursunzade is the home of Talco.

¶6. (SBU) The Tajik journalist we spoke with said that this was not the first time the government had summoned journalists to ask them to support its agenda. When in February Russian President Medvedev made a statement supporting Tashkent's position regarding regional hydropower development, the Head of the MFA's Information Department called a meeting with journalists to tell them, "you are welcome to write articles against Russia." After the Uzbek ambassador to Tajikistan announced Uzbekistan's decision to withdraw from the Central Asian grid in November, the MFA again summoned journalists to advise them, "you can go ahead and attack the Uzbek ambassador."

OLYMPIC CHAMPIONS AND GEOGRAPHY TEACHERS: EVERYONE WANTS A SHARE

¶7. (SBU) Since Rahmon called on citizens to cough up cash for Roghun, media have tripped over themselves to report every new

pledge made by every Jamshed Q. Public. State television has broadcast daily vignettes about simple Tajik citizens who intend to buy multiple Roghun shares. A geography teacher, for example, appeared on the nightly news to announce she will buy 5,000 somoni (\$1,136) of shares. State media interspersed similar interviews with pensioners and other prospective stock buyers with footage of the ongoing Roghun construction. National electricity company Barqi Tojik has dispatched representatives to schools to indoctrinate children on the importance of supporting the Roghun project and the virtues of now obligatory energy-efficient fluorescent bulbs. Barqi Tojik already has delivered its presentation in Dushanbe, Hissar, Khujand, Isfara, and Rudaki districts.

¶18. (SBU) Print media, too, is awash with Roghun stock purchase commitments. Tajikistan's only Olympic medalist, Judo expert Rasoul Boqiyev, committed to a 2,000 somoni stock purchase on December 15. The same day, media reported that the staff of the Tajik embassy in London gave two days' salary for Roghun. Not to be outdone, the embassy staff in Washington gave three days' salary. Teachers at the Khujand-based Tajik State University of Law, Business and Politics promised two days' wages, totaling 20,000 somoni (\$4,545). Employees at the joint Canadian-Tajik mining operation Aprelevka contributed one day's wages totaling 30,000 somoni to Roghun, and promised to offer up another two days' wages "in the nearest future." The next day Tojiksodirotbonk, a major private bank (and the Embassy's local banking partner) announced it would buy \$5 million in Roghun shares, drawn from its own capital. Bank management also said employees expressed a wish to buy an additional \$1 million at their own expense. According to the media reports, the Bank's Director would personally contribute \$100,000. He added that the Hotel Tajikistan, of which he is part owner, would contribute another \$2 million. Tajik Railways has committed 1 million somoni (227,200 USD).

¶19. (SBU) The opposition Islamic Renaissance Party's (IRPT) commitment to buy shares was perhaps most striking. Party leader Muhiddin Kabiri reconfirmed his reputation as the Government's favorite Islamist opposition politician when he said he would contribute the Party's money to help further a national priority. Party contacts report that they have not yet decided how many shares to purchase and in fact need to resolve whether they may legally purchase shares as a political party. No one in the opposition nor in mass media appear to have questioned the government's continued operation of the state-owned Talco aluminum plant, which consumes over 40% of

DUSHANBE 00001443 003.2 OF 003

Tajikistan's energy. Yet Talco's profits are largely returned not to state coffers but to an offshore company controlled by the political elite.

¶10. (SBU) Neither the President nor his family have committed to buying shares. Several major government enterprises also have failed to announce a stock purchase. Neither Orion Bank, Somon Capital, the national airline, Barqi Tojik, nor other major banks and businesses controlled by the government have announced stock purchases. Asia Plus reported that Talco's "top managers and engineering personnel" committed to buy shares worth one month of their salaries, but so far Talco itself has not committed company funds.

ROGHUN CAMPAIGN IN CONTEXT

¶11. (SBU) This is not the first time the Tajik government has

employed Soviet-style drives to achieve "national goals." Nor is it the first stock campaign for a hydro-electric dam. In 1998, the government issued shares in the Sangtuda-1 dam. Individuals who purchased these shares, however, never received proceeds from their investment. (The dam was completed in 2009 with heavy Russian investment.) After the Dushanbe medical university burned down in 2008, academics all over the country "volunteered" to give up two days' salary; academics we knew who lost this salary said they were never consulted. Urban and government employees routinely must participate in the Soviet tradition of what is tongue-in-cheek termed "voluntary-obligatory" public service to clean streets. When the President hosted an international conference on Hanafi Islam in October, he reportedly ordered Dushanbe restaurants to feed visiting delegations for free, and warned of severe consequences should the guests have any complaints about the food. And, of course, local government officials dispatch state employees to pick cotton to meet national "targets."

COMMENT: TAJIKISTAN, INC.

¶12. (SBU) The Roghun shares campaign is a demonstration that Tajikistan's leadership unquestioningly assumes that the people exist to serve and glorify the state and can be employed as state property and deprived of their earnings at the President's whim. This is in large part the inheritance of Soviet rule, but has older antecedents too. It is the mentality on display when high officials, such as Deputy Foreign Minister Yuldashev, argue there is no forced labor in the cotton sector, because the nation has a tradition of collective effort. This attitude among senior government officials will challenge development and reform efforts as long as the Soviet generation hangs on to power. However, the generation that replaces them may not be an improvement; a collapsed education system and a corrupt political culture could well produce future leaders who are no better able to manage the situation, nor have any more democratic vision for Tajikistan.

¶13. (SBU) Comment Continued: If the Tajik government actually thinks that by shaking down geography teachers it can raise money to complete the Roghun project, it is badly in need of a reality check. More than likely, the goal of the President's campaign is to strengthen national unity under his leadership and whip up nationalism so that anger sparked by the inevitable winter power outages is directed at Tashkent, not Dushanbe. Many individuals and businesses have rushed to announce their donations of one or two days' salary, to curry favor and preempt calls for larger donations. Despite Rahmon's insistence that only Tajik citizens could invest in Roghun, it seems likely that if a major foreign donor materialized in Dushanbe tomorrow, he would be happily accommodated. Rahmon's meeting with journalists underlines the government's view that the media should fall in line to support "national" initiatives and has a chilling effect on independent journalists. Though independent newspapers often print mild criticism of the government, it is telling that no Tajik papers reported on Rahmon's bizarre braggadocio regarding his shoving match with Karimov. End comment.

GROSS